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DEPARTMENT OF COMMERCE FOR BRIAN LOPP AND DIANA FONOVICH
EB/CIP/BA FOR ROBERT WATTS

E.O. 12958: N/A

TAGS: [ECPS](#) [TINT](#) [ECON](#) [TNGD](#) [BG](#)

SUBJECT: BANGLADESH MERGES ONTO THE INFORMATION SUPERHIGHWAY

¶1. Summary: With the inauguration of the submarine communication cable, the first land-based internet connection in the country, Bangladesh hopes to position itself as a competitor in the regional technology boom. Overnight, internet capacity has increased six-fold. Government and businessmen hope to now get a slice of the Indian pie, which looms over its neighbor as a model for information communications technology (ICT) success. End summary.

¶2. A consortium of 14 countries jointly developed the 20,000 kilometer cable system that provides connection from Singapore to Marseilles, France. Econoff met with the BDG Project Director, Md. Monwar Hossain, to discuss the status of the project and future plans for this initiative. The BDG, through its telecommunications company, Bangladesh Telegraph and Telephone Board (BTTB), spent \$35 million on the submarine cable project. Fiber optic connections between Cox's Bazaar, Chittagong, and Dhaka have been spent; BTTB hopes to recoup all expenses by leasing capacity in the system. Plans are in place for the government to extend fiber optic lines throughout the country, and to "establish cyber cafes in each district."

¶3. Software development firms and other businesses are excited about this initiative. Twenty-three Internet Service Providers (ISP) have already connected to the system, which offers a maximum of 155 megabits per second (mbs) transfer speed. The previous satellite connections could offer only 24 mbs for users at triple the cost to the ISPs. The ISP association president told the Embassy that the submarine cable project is a milestone for the ICT growth in Bangladesh; the association is proud of the achievement. A former president of the software producers association told Econoff that the increased speed has already had some impact on his industry, as graphics and programs can be sent to customers online. He noted that the association is working with the government to negotiate a special rate to boost business.

¶4. On May 21, the Prime Minister herself served as chief guest over the ceremonial inauguration of the communication connection between the cable landing in Cox's Bazaar and the capital city of Dhaka. This symbolizes the expectations the government has for this initiative: that the increased speed and capacity to internet resources could be a catalyst for a needed diversification to the country's economic base. Many in the ICT sector look to the example of India, where billions of dollars in business through call centers and software development with US firms have redefined the

country's economic image.
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